

VZCZCXRO3452
RR RUEHBC RUEHDA RUEHDE RUEHIHL RUEHKUK
DE RUEHGB #2979/01 2600307
ZNR UUUUU ZZH
R 160307Z SEP 08
FM AMEMBASSY BAGHDAD
TO RUEHC/SECSTATE WASHDC 9430
INFO RUCNRAQ/IRAQ COLLECTIVE
RUCPDOG/DEPT OF COMMERCE WASHDC
RUEKJCS/DIA WASHDC

UNCLAS SECTION 01 OF 02 BAGHDAD 002979

SIPDIS

SENSITIVE

STATE ALSO FOR EEB AND NEA/I

E.O. 12958: N/A

TAGS: [ECON](#) [EINV](#) [ETRD](#) [IZ](#)

SUBJECT: Security Hampers, But Does Not Quash, Baghdad 9-Nissan
District's Business Development

¶1. (U) Summary: On August 29-30, Baghdad EPRT-2 funded the 9-Nissan Trade Show, which was organized by the Iraqi American Chamber of Commerce and Industry (IACCI), at the Palestine Hotel. This was Baghdad's fourth district-level trade show this year, all organized as spin-offs of the February B2B Business Expo. Seventy-seven businesses and 17 NGOs registered for the show. A significant number of the participants indicated to us that their businesses were growing and prospering despite continuing problems with electricity and, to some extent, with security. This was a big event for a district that was the scene of significant fighting only a few months ago, with several local radio and newspaper outlets providing good media coverage. End Summary.

The 9-Nissan Trade Show

¶2. (U) On August 30, representatives from Baghdad EPRT-2, Senior Commercial Officer (SCO), Baghdad PRT, and ECONOFF attended the 9-Nissan Trade Show at the Palestine Hotel. Baghdad EPRT-2 funded the show, which was organized by the Iraqi American Chamber of Commerce and Industry (IACCI) (Note: not affiliated with the U.S. Chamber of Commerce). This was Baghdad's fourth district-level trade show this year, all organized as spin-offs of the February B2B Business Expo. (The others were organized by EPRT-2 in Karada in May and Rusafa in June and by EPRT-3 in Adahmiya in June.) These trade shows are intended to highlight local businesses in each district and provide a forum for contacts among businesses and discussion between the business community and government agencies. They are also designed to build up momentum city-wide for another B2B citywide trade show in December, which PRT-Baghdad hopes will be even bigger than the February one.

¶3. (U) Seventy-seven businesses registered for the show. They comprised:

- 29 construction or general Contractors;
- 17 general trading companies;
- 8 state-owned or mixed sector enterprises;
- 6 engineering/design/civil work firms;
- 5 companies providing sewage or water services;
- 2 tile businesses;
- 2 in food production (ice cream, yoghurt, chocolates);
- 2 furniture vendors;
- 1 industrial works;
- 1 paint store;
- 1 art gallery;
- 1 transport company;
- 1 plastics seller; and
- 1 website designer.

¶4. (U) In addition, 17 NGOs participated, about the same number that participated at both the Rusafa and Karada trade shows. The NGOs came, many of them told us, because they saw the trade show as a good opportunity to get the word out about their activities and

also, undoubtedly, because they were hoping to find funding sources (including from the U.S. military or USG). (Note: Many businessmen/women have NGOs as well, and the line between the two is often blurred.) IACCI also provided space to the Small Business Development Center and the Al-Bashaer micro-loan program, both funded by USAID/Tijara, and had allotted time for them on an associated conference program. Turnout was good on day one, but on day two many of the tables were empty. IACCI representative Raad Omar told us that some of the participants thought the trade show was supposed to be for one day only.

15. (U) A significant number of the participants indicated to us that their businesses were growing and prospering despite continuing problems with electricity and, to some extent, with security. Among the participants, a stone-tile producer appeared to be entering a market where Iraqis should have considerable expertise and technical skills to exploit a market. The clothing manufacturer representative, Modern Sewing Company, told us the company sourced textiles from Syria and Turkey and had two factories capable of employing 6,000 people but, because of security conditions, only had 500 workers. The company specialized in producing uniforms for the Iraqi government, since it found that it could not produce men's suits in Iraq for less than the cost of imported equivalents because of the high cost to transport raw materials and finished goods, again because of high mark-ups for security. Another family-owned business imports artificial turf from Turkey and for installation in parks and schools in Iraq. SCO spoke to sales agents for U.K. Perkins and U.S. Cummins generators, offering to put them in contact with other U.S. generator manufacturers and to another sales representative who, among other products, sells hospital equipment. After the conference, another participant contacted SCO to be put in contact with other U.S. manufacturers.

BAGHDAD 00002979 002 OF 002

16. (SBU) Comment: This was a big event for a district that was the scene of significant fighting only a few months ago. One negative was the absence of any provincial and city officials, which unfortunately reinforced the perception of many participants that the GOI is perpetuating the historical neglect of this relatively poor and marginalized district. Several local radio and newspaper outlets provided good media coverage; AP and USA Today reporters were also present.
CROCKER